

Future Sanitation

Meeting 8-29-15

Attendance:

Bryan Aloia, Marty Sternberg, John Chiaia, John Silvesri,

Dan the Accountant & Mary the Bookkeeper

1. Shareholders Balance Sheet and Prioritized Debt:

a. Prioritized Debt:

i. CCG Loans	\$2,200,000
ii. Joseph DeSaye	\$1,531,446- Principal Only
iii. Marty Sternberg	\$752,249- Principal Only
iv. John Chiaia	\$200,000
v. Dave Pestkowski	<u>\$45,000</u>
vi. Total Debt	\$4,728,695

b. Outstanding Liabilities:

i. CCG July Payment	\$27,000	Due: NOW
ii. CCG August Pymt	\$54,000	Due: 8-30-15
iii. DEP Annual Permit	\$29,000	Due: 9-25-15
iv. DOT Audit	\$9,000	Due: pymts 3,000/month
v. Department of Labor	\$78,000	Due: June 2016
vi. Judgement	\$135,000	Due: Under Review
vii. ICE homeland Sec	<u>\$95,000</u>	Due: ?
viii. Total Debt	\$427,000	

c. Estimate Minimum Liquidation Value:**i. South**

1. 20-Rearloaders	\$1,000,000
2. 1 Frontloader	\$100,000
3. 2 Pick Ups	\$0
4. Roll off work 180,000 per month	
a. 12X Valuation	<u>\$ 2,160,000</u>
5. Total South Value:	\$3,260,000

ii. North

1. 22 Packers	\$1,100,000
2. 2 Front End	\$200,000
3. 1 Delivery, 2 pick ups	
4. IWS Front End work	\$390,000
5. Roll Off 80,000/ month	
a. 12 x Valuation	<u>\$960,000</u>
b. Total North	\$2,550,000

iii. Additional Equipment

1. Reviewing asset list against above

a. Additional trucks

i. Only 59 trucks above

ii. Extra trucks & broken Trucks ?

b. Additional Tractors \$50,000

c. Additional Cans ?

d. 10 dump trailers \$125,000

iv. Est Liquidation Value 6 – 6.5 million

d. Equity- All Equity is encumbered by lenders

e. Extra Trucks and equipment must be sold proceeds to be placed in Escrow or to be used to pay down CCG.

2. Prioritized Debts and Payables Long and Short Term

a. Listed above in Sec 1a.and 1b.no other prioritized debts were disclosed

3. Discuss Liquidation Options/Restructure

a. Link-Sperduto- South: Minimal Probability

b. Rourk Capital-Ed Apuzzi South: Possible

c. Gold Metal- Glenn Miller South Probable

d. Waste Management All Minimal Probability

e. No other identified Buyers

f. Need to begin to Focus on North Sale

4. John Silvestri Contract

a. Total 25,000/month (4 month Guarantee based on sale to IWS) plus a percentage of sale TBD minimum 200,000 (no Guarantee)

b. Payment Terms

i. Split Bryans Pay 8,000 month to begin weekly to John

ii. The Remaining 17,000 for September to be paid by Joe Desaye upon receiving payment from IRS.

iii. Oct- November Payments total 75,000

1. Split Bryans pay \$24,000

2. Sale to IWS John Chiaia hold in escrow to pay monthly \$51,000

c. Duties

i. Manage as CEO report to Lenders Marty and Joe

ii. Prepare company for sale North and South

iii. Manage the preparation of financials

iv. Determine valuations

v. Asset control and value

5. Company Financials

- a. We are behind on preparation Ellen must begin working daily with Bookkeepers to prepare both North and South, More visits to North and South from Ellen will be required as well as meetings with Dave
- b. Ellen will be in Charge First QTR of 2015 no later than Oct 15, 2nd QTR no later than Nov 15
- c. Bookkeepers report to Ellen (See Org Chart Attached)

6. IWS Sale and Proceeds

- a. Gross Proceed 390,000
 - i. 50,000 dump
 - ii. 40,000 hold back
 - iii. Net 300,000
- b. Distribution
 - i. 51,000 to John Silvestri
 - ii. 49,000 for company support
 - iii. 100,000 Joseph DeSaye
 - iv. 100,000 Marty Sternberg

7. Finance A/R

- a. Receivables must be collected to generate cash flow
 - i. Bernie/sales will work full time on collections with Bryan
- b. US Navy \$150,000 must get cleaned to support company thru end of year

8. Finance A/P

- a. Only pay critical vendors next 4 months
- b. Do not try and clean old debt at this time use cash to operate

9. IRS Liens

- a. To be satisfied 9-1-2015
- b. Moneys go to Joseph DeSaye
 - i. Joseph DeSaye has pledged to pay from proceeds: John Silvestri 17,000 and 73,000 to company to pay CCG. This makes his current contribution equal to Marty.

Org Chart

